

### REMARKS/ARGUMENTS

Favorable reconsideration of this application, as presently amended and in light of the following discussion, is respectfully requested.

Claims 1, 3, 5-8, 10, 12-15, 17, and 19-22 are pending in the present application, Claims 1, 8, 15, 21, and 22 having been amended, and Claims 24, 25, and 27 having been canceled without prejudice or disclaimer. Support for the present amendment is believed to be self-evident from the originally filed specification.<sup>1</sup> Applicant respectfully submits that no new matter is added.

In the outstanding Office Action, Claims 1, 3, 5-8, 10, 12-15, 17, 19, 20-22, 24, 25, and 27 were rejected under 35 U.S.C. §112, first paragraph; Claims 1, 3, 5-8, 10, 12-15, 17, 19, 20, 24, 25, and 27 were rejected under 35 U.S.C. §112, second paragraph; Claims 11, 3, 5-8, 10, 12-15, 17, 19, 20-22, 24, 25, and 27 were rejected under 35 U.S.C. §103(a) as obvious over Kumar et al. (U.S. Publication No. 2001/0023414, hereinafter Kumar) in view of King et al. (U.S. Patent No. 5,704,045, hereinafter King); Claim 21 was rejected under 35 U.S.C. §103(a) as unpatentable over Kumar in view of King, and further in view of Applicant's admitted prior art; Claim 22 was rejected under 35 U.S.C. §103(a) as unpatentable over Kumar in view of King, and further in view of Goino (U.S. Patent Publication No. 2001/0056396); and Claim 25 was rejected under 35 U.S.C. §103 as unpatentable over Kumar in view of King, and further in view of Catex.

Applicant thanks the Examiner for the courtesy of an interview extended to Applicant's representative on June 24, 2010. During the interview, differences between the present invention and the applied art, and the rejections noted in the outstanding Office Action were discussed. No agreement was reached pending the Examiner's further review when a response is filed. Arguments presented during the interview are reiterated below.

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<sup>1</sup> See, for example, Applicant's Figs. 8 and 12, and paragraphs [0022], [0047], and [0050] of the originally filed specification.

Applicant respectfully traverses the rejection under 35 U.S.C. §112, first paragraph. Paragraph [0022] of the originally filed specification describes “pairing and offsetting debits and credits.” Paragraph [0047] of the originally filed specification describes that a selected \$500 credit is paired with a \$1000 debit (see also Applicant’s Fig. 8). Paragraph [0050] of the originally filed specification also describes that credits and debits are matched and offset (see also Applicant’s Fig. 12). Thus, the rejection under 35 U.S.C. §112, first paragraph, should be withdrawn.

With respect to the rejection under 35 U.S.C. §112, second paragraph, the present claims are amended in order to more clearly describe and distinctly claim the subject matter regarded as the invention. In particular, the claims are amended to define debits and credits, and that debits and credits are offset, and not merely paired. Thus, this ground of rejection is believed to have been overcome.

With respect to the rejection of Claim 1 as being unpatentable over the combination of Kumar and King, Applicant respectfully submits that the present amendment to Claim 1 overcomes this ground of rejection. Amended Claim 1 recites “wherein, a processor at the server uses the list of the debits and the credits to offset the payment due from the insurer to the reinsurer with the payment due from the reinsurer to the insurer.” Kumar and King, when taken in proper combination, do not disclose or suggest this feature of Claim 1.

Kumar pertains to an online bill payment system (see Figure 18). As part of the bill payment system, an outstanding bill may be paid from a payment account. However, there is no processor at the server uses the list of the debits and the credits to offset a payment due from the insurer to the reinsurer with a payment due from the reinsurer to the insurer for the certain insurance policy.

Column 11, lines 36-48 of King describes a situation where in the event of a loss, payments are made by an insurer entity in accordance with terms of the policy. However,

there is no processor at the server uses the list of the debits and the credits to offset a payment due from the insurer to the reinsurer with a payment due from the reinsurer to the insurer for the certain insurance policy.

Since both Kumar and King fail to disclose the above-noted feature from Claim 1, a person of ordinary skill in the art cannot properly combine Kumar and King to arrive at the invention defined by Claim 1.

In view of the above-noted distinctions, Applicant respectfully submits that amended Claim 1 patentably distinguishes over Kumar and King, taken alone or in proper combination.

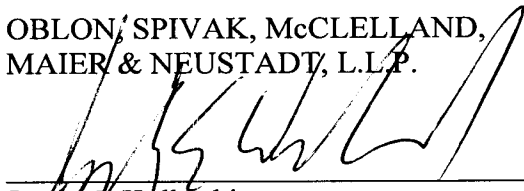
Independent claims 8 and 15 recite features analogous to the ones recited in Claim 1, and patentably distinguish over King and Kumar for at least the reasons stated above.

Addressing each of the further rejections, each of the further rejections is also traversed by the present response as no teachings in any of the further cited references to Goino and Catex can overcome the above-noted deficiencies of King and Kumar. Accordingly, it is respectfully requested that those rejections be withdrawn for similar reasons as discussed above.

Consequently, in light of the above discussion and in view of the present amendment, the present application is believed to be in condition for allowance and an early and favorable action to that effect is respectfully requested.

Respectfully submitted,

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